

Financial Report

**The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana**

June 30, 2001

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

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The Tangipahoa Parish Voluntary Council on Aging Amite, Louisiana

June 30, 2001

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

I have audited the accompanying general purpose financial statements of The Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana, as of and for the year ended June 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the Council's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of The Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana, as of June 30, 2001, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated August 22, 2001, on my consideration of The Tangipahoa Parish Voluntary Council on Aging's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedules 1 through 5, listed in the table of contents as supplementary information, are presented for purposes of additional analysis as required by the Governor's Office of Elderly Affairs and are not a required part of the general purpose financial statements. The information in Schedules 1 through 5 has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Baton Rouge, Louisiana,
August 22, 2001.

Neil B. Furrani, CPA

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors,
The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

I have audited the general purpose financial statements of The Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana, as of and for the year ended June 30, 2001, and have issued my report thereon dated August 22, 2001. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether The Tangipahoa Parish Voluntary Council on Aging's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, I noted certain immaterial instances of noncompliance, which I have reported to management of The Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana, in a separate letter dated August 22, 2001.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered The Tangipahoa Parish Voluntary Council on Aging's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses. However, I noted other matters involving the internal control over financial reporting, which I have reported to management of The Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana, in a separate letter dated August 22, 2001.

This report is intended solely for the information and use of the Council's board of directors, management, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

Neil B. Fermani, CPA

Baton Rouge, Louisiana,
August 22, 2001.

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

June 30, 2001

With Comparative Totals for the Year Ended June 30, 2000

	Governmental Fund Types		Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	General Fixed Assets	General Long-term Debt	2001	2000
ASSETS AND OTHER DEBITS						
Assets:						
Cash	\$ 52,327	\$ 43,549	\$ 0	\$ 0	\$ 95,876	\$ 113,810
Government grants and contracts receivable	0	27,882	0	0	27,882	21,542
Accounts receivable	1,204	4,692	0	0	5,896	3,268
Prepaid expenditures	2,049	0	0	0	2,049	1,026
Deposit towards vehicle purchase	0	0	0	0	0	6,415
Due from Special Revenue funds	21,279	0	0	0	21,279	3,435
Restricted assets - Cash	0	0	0	0	0	6,935
Fixed assets	0	0	257,968	0	257,968	274,768
Other debits:						
Amount to be provided to retire long-term debt	0	0	0	7,053	7,053	7,699
Total assets and other debits	\$ 76,859	\$ 76,123	\$ 257,968	\$ 7,053	\$ 418,003	\$ 438,898
LIABILITIES, FUND EQUITY, AND OTHER CREDITS						
Liabilities:						
Accounts payable	\$ 1,348	\$ 22,079	\$ 0	\$ 0	\$ 23,427	\$ 11,354
Payroll tax withholdings	11	0	0	0	11	0
Due to General Fund	0	21,279	0	0	21,279	3,435
Deferred grant revenue	0	0	0	0	0	16,084
Accumulated unpaid vacation	0	0	0	7,053	7,053	7,699
Total liabilities	1,359	43,358	0	7,053	51,770	38,572
Fund Equity and Other Credits:						
Fund balances:						
Reserved for:						
Prepaid expenditures	2,049	0	0	0	2,049	1,026
Encumbrance - vehicle purchase	9,200	0	0	0	9,200	6,415
Congregate & home-delivered meals	0	0	0	0	0	6,935
Unreserved - undesignated	64,251	32,765	0	0	97,016	111,182
Investment in general fixed assets	0	0	257,968	0	257,968	274,768
Total fund equity and other credits	75,500	32,765	257,968	0	366,233	400,326
Total liabilities, fund equity and other credits	\$ 76,859	\$ 76,123	\$ 257,968	\$ 7,053	\$ 418,003	\$ 438,898

The accompanying notes are an integral part of this statement.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES**

**The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana**

For the year ended June 30, 2001

With Comparative Totals for the Year Ended June 30, 2000

	General	Special Revenue	Totals (Memorandum Only)	
			2001	2000
REVENUES				
Intergovernmental	\$ 82,702	\$ 354,664	\$ 437,366	\$ 522,931
Public Support	42,753	89,911	132,664	90,841
Program Service Fees	17,936	23,870	41,806	53,257
Interest Income	1,422	962	2,384	2,357
Miscellaneous	1,848	15	1,863	35
In-kind Contributions	716	104,843	105,559	106,468
Total revenues	<u>147,377</u>	<u>574,265</u>	<u>721,642</u>	<u>775,889</u>
EXPENDITURES				
Current:				
Personnel	17,394	372,921	390,315	439,615
Fringe	1,712	36,607	38,319	43,388
Travel	537	8,617	9,154	10,943
Operating Services	1,468	60,128	61,596	72,172
Operating Supplies	731	24,199	24,930	37,282
Other Costs	20,149	14,381	34,530	26,996
Meals	25	37,675	37,700	23,404
Capital Outlay	1,237	32,076	33,313	38,915
Utility Assistance	0	17,429	17,429	12,695
Medicine Assistance	0	5,649	5,649	0
In-kind	716	104,843	105,559	106,468
Total expenditures	<u>43,969</u>	<u>714,525</u>	<u>758,494</u>	<u>811,878</u>
Excess of revenues over(under) expenditures	103,408	(140,260)	(36,852)	(35,989)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	3,250	230,616	233,866	317,593
Operating transfers out	(174,195)	(59,671)	(233,866)	(317,593)
Proceeds from sale of fixed assets	19,559	0	19,559	500
Excess of revenues and other sources over(under) expenditures and other uses	(47,978)	30,685	(17,293)	(35,489)
FUND BALANCES				
Beginning of year	<u>123,478</u>	<u>2,080</u>	<u>125,558</u>	<u>161,047</u>
End of year	<u>\$ 75,500</u>	<u>\$ 32,765</u>	<u>\$ 108,265</u>	<u>\$ 125,558</u>

The accompanying notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND TYPE**

**The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana**

For the year ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES			
Intergovernmental	\$ 82,702	\$ 82,702	\$ 0
Public Support	41,934	42,753	819
Program Service Fees	17,514	17,936	422
Interest Income	1,700	1,422	(278)
Miscellaneous	0	1,848	1,848
In-kind Contributions	700	716	16
	<u>144,550</u>	<u>147,377</u>	<u>2,827</u>
EXPENDITURES			
Current:			
Personnel	6,399	17,394	(10,995)
Fringe	509	1,712	(1,203)
Travel	144	537	(393)
Operating Services	401	1,468	(1,067)
Operating Supplies	666	731	(65)
Other Costs	19,738	20,149	(411)
Meals	0	25	(25)
Capital Outlay	1,750	1,237	513
In-kind	700	716	(16)
	<u>30,307</u>	<u>43,969</u>	<u>(13,662)</u>
Total expenditures	<u>30,307</u>	<u>43,969</u>	<u>(13,662)</u>
Excess of revenues over(under) expenditures	114,243	103,408	(10,835)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	0	3,250	3,250
Operating transfers out	(166,772)	(174,195)	(7,423)
Proceeds from sale of vehicles	0	19,559	19,559
	<u>0</u>	<u>19,559</u>	<u>19,559</u>
Excess of revenues and other sources over(under) expenditures and other uses	(52,529)	(47,978)	\$ <u>4,551</u>
FUND BALANCES			
Beginning of year	<u>123,478</u>	<u>123,478</u>	
End of year	\$ <u>70,949</u>	\$ <u>75,500</u>	

The accompanying notes are an integral part of this statement.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - SPECIAL REVENUE FUND TYPE**

**The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana**

For the year ended June 30, 2001

	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES			
Intergovernmental	\$ 355,958	\$ 354,664	\$ (1,294)
Public Support	93,489	89,911	(3,578)
Program Service Fees	44,400	23,870	(20,530)
Interest Income	962	962	0
Miscellaneous	0	15	15
In-kind Contributions	104,835	104,843	8
Total revenues	599,644	574,265	(25,379)
EXPENDITURES			
Current:			
Personnel	384,821	372,921	11,900
Fringe	36,342	36,607	(265)
Travel	12,670	8,617	4,053
Operating Services	61,582	60,128	1,454
Operating Supplies	25,050	24,199	851
Other Costs	20,206	14,381	5,825
Full Service	5,248	0	5,248
Meals	34,444	37,675	(3,231)
Capital Outlay	32,076	32,076	0
Utility Assistance	17,429	17,429	0
Medicine Assistance	0	5,649	(5,649)
In-kind	104,835	104,843	(8)
Total expenditures	734,703	714,525	20,178
Excess of revenues over(under) expenditures	(135,059)	(140,260)	(5,201)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	223,193	230,616	7,423
Operating transfers out	(56,421)	(59,671)	(3,250)
Excess of revenues and other sources over(under) expenditures and other uses	31,713	30,685	\$ (1,028)
FUND BALANCES			
Beginning of year	2,080	2,080	
End of year	\$ 33,793	\$ 32,765	

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

**The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana**

June 30, 2001

Note 1 - Summary of Significant Accounting Policies

a. Purpose of the Council on Aging:

The purpose of the Council is to collect facts and statistics and make special studies of conditions pertaining to the employment, financial status, recreation, social adjustment, mental and physical health or other conditions affecting the welfare of the aging people in Tangipahoa Parish; to keep abreast of the latest developments in these fields of activity throughout Louisiana and the United States; to interpret its findings to the Parish and State; to conduct public meetings; to make recommendations for needed improvements and additional resources; to promote the welfare of aging people; and to assist and cooperate with the Governor's Office of Elderly Affairs (GOEA), and other departments of state and local government serving the aging people, in particular the Capital Area Agency on Aging, District II, Inc. (CAAA).

Specific services provided by the Council to the elderly residents of Tangipahoa Parish include providing congregate and home delivered meals, nutritional education, case management, information and assistance, outreach, utility assistance, homemaker services, recreation, telephoning, personal care, disease prevention, health promotion, and transportation.

b. Reporting Entity:

In 1964, the State of Louisiana passed Act 456 which authorized the charter of voluntary councils on aging for the welfare of the aging people in their respective parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. The Tangipahoa Parish Voluntary Council on Aging is a non-profit, quasi-public corporation, which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs and the State of Louisiana. Other entities that provide the Council with funds may impose additional compliance requirements.

Note 1 - Summary of Significant Accounting Policies - (continued)

b. Reporting Entity: - (continued)

A board of directors, consisting of 15 voluntary members, who serve three-year terms, governs the Council. The board of directors is comprised of, but not limited to, representatives of the Parish's elderly population, general public, private businesses, and elected public officials. Board members are elected in the following manner:

- ◆ Ten members shall be appointed by the Tangipahoa Parish Council to represent the elderly population in their respective districts.
- ◆ Two members shall be appointed by agencies which serve the elderly (one from the Social Security Administration and one from the Department of Social Services or Department of Health and Human Resources).
- ◆ Three at-large members from throughout Tangipahoa Parish shall be elected by the general membership at the Council's annual meeting.

Membership in the Council is open at all times, without restriction, to all residents of Tangipahoa Parish who have reached the age of majority and who express an interest in the Council and wish to contribute to or share in its programs. Membership fees are not charged.

Based on the criteria set forth in Section 2100 of Governmental Accounting Standards Board's (GASB) *Codification of Government Accounting and Financial Reporting Standards*, The Tangipahoa Parish Voluntary Council on Aging is not a component unit of another primary government nor does it have any component units which are related to it. Accordingly, the Council has presented its financial statements as a separate special-purpose government because (a) it has a separately elected governing body, (b) it is legally separate, and (c) it is fiscally independent of other state and local governments.

Note 1 - Summary of Significant Accounting Policies - (continued)

c. Presentation of Statements:

The accompanying general purpose financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) of the United States of America as applicable to governmental units. These statements have also incorporated any applicable requirements set forth by *Audits of State and Local Governmental Units*, the industry audit guide issued by the American Institute of Certified Public Accountants; Subsection VIII - Annual Financial Reporting, accounting manual for Governor's Office of Elderly Affairs Contractors; and, the *Louisiana Governmental Audit Guide*.

d. Fund Accounting:

The Council uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities.

The accounts of the Council are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in these financial statements into two generic fund types and two broad fund categories (account groups).

Governmental funds are used to account for all or most of the Council's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt.

Note 1 - Summary of Significant Accounting Policies - (continued)

d. Fund Accounting: - (continued)

The governmental funds and the programs comprising them as presented in the financial statements are described as follows:

◆ General Fund

The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required by law, contract, or accounting principles to be accounted for in another fund.

The following programs comprise the Council's General Fund:

Local

The Council receives revenues that are not required to be accounted for in a specific program or fund. Accordingly, these revenues have been recorded in the local program of the General Fund. Most of these funds are unrestricted and may be used at the Council's discretion. However, some funds are restricted as to use and are accounted for in the General Fund if a Special Revenue Fund is not required. Expenditures to acquire fixed assets, and expenditures for costs not allowed by another program due to budget limitations or the nature of the expenditures, are recorded in the local program.

Local funds are also used as transfers to other programs to eliminate deficits in cases where the expenditures of the other programs exceed revenues.

Note 1 - Summary of Significant Accounting Policies - (continued)

d. Fund Accounting: - (continued)

♦ General Fund - (continued)

PCOA

PCOA funds are appropriated for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs. The Council may use these "Act 735" funds at its discretion provided the program is benefitting people who are at least 60 years old. In fiscal year 2001, the Council transferred its PCOA funds to the Title III B Supportive Services program to provide additional funds to pay for program expenditures.

Senior Center Activities

The Council operates senior centers in Hammond, Tickfaw, Amite, Kentwood, Independence, and Ponchatoula. The participants at each of these centers solicit public support and raise funds through activities to help offset the cost of activities that are not paid for through the primary grant to operate senior centers from the Capital Area Agency on Aging - District II, Inc. (CAAA). Examples of the types of activities used to raise these funds include craft sales, ceramic sales, soft drink sales, and recycling income. There is no restriction on how the net proceeds of these activities are used. The revenues and related expenditures for each senior center's non-program activities are maintained in separate accounts within the Council's general ledger.

Medicaid Programs

The Council provides services for which it is paid a fee by Medicaid. The services consist of completing enrollment applications for people wanting to apply for Medicaid services and insurance for children. The Council is paid \$14 per application it completes. During this fiscal year the Council completed 323 applications.

Note 1 - Summary of Significant Accounting Policies - (continued)

d. Fund Accounting: (continued)

◆ **General Fund - (continued)**

Adult Day Care

The Council provides Adult Day Care services at its Hammond senior center. The purpose of this service is to provide a facility where elderly family members can be brought and cared for to allow other family members time to attend to personal matters and to give them relief from having to constantly attend to the elderly member's needs.

◆ **Special Revenue Funds**

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments and major capital projects) that are legally restricted to expenditures for specified purposes. Most of the Council's special revenue funds are provided by Capital Area Agency on Aging - District II, Inc. (CAAA). The Title III funds which the Council receives are provided by the United States Department of Health and Human Services - Administration on Aging to the Governor's Office of Elderly Affairs which in turn "passes through" the funds to the Council via the CAAA. GOEA also provides CAAA funds from other state grants which are in turn passed through to the Council.

The following are the funds which comprise the Council's Special Revenue funds:

Note 1 - Summary of Significant Accounting Policies - (continued)

d. Fund Accounting: (continued)

♦ **Special Revenue Funds - (continued)**

Title III B Fund

The Title III B Fund is used to account for funds which are used to provide various units of supportive social services to the elderly. The criteria for a qualifying unit of service for each Title III program has been established by GOEA. Specific supportive services, along with the number of units provided during the fiscal year, are as follows:

♦ Information and Assistance	2,164 units
♦ Case Management	518 units
♦ Outreach	433 units
♦ Homemaker	2,423 units
♦ Telephoning	568 units
♦ Transportation for people age 60 or older	26,398 units
♦ Personal care	777 units

Title III C-1 Fund

The Title III C-1 Fund is used to account for funds which are used to provide nutritional, congregate meals to people age 60 or older in strategically located centers throughout Tangipahoa Parish. The Council maintains meal-sites in Amite, Independence, Tickfaw, Kentwood, Hammond, and Ponchatoula. During the year the Council provided 41,285 meals to people eligible to participate in this program. The Council also provided 73 units of nutrition education under this program.

Title III C-2 Fund

The Title III C-2 Fund is used to account for funds which are used to provide nutritional meals to home-bound people who are age 60 or older. During the year the Council provided 72,098 home-delivered meals. The Council also provided 108 units of nutrition education under this program.

Note 1 - Summary of Significant Accounting Policies - (continued)

d. Fund Accounting: (continued)

♦ Special Revenue Funds - (continued)

Title III F Fund

The Title III F Fund is used to account for funds used for disease prevention and health promotion activities. During the year the Council provided 11,916 units of wellness service to eligible participants in this program.

Senior Center Fund

The Senior Center Fund is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council via the Capital Area Agency on Aging - District II, Inc. The purpose of this program is to provide community service centers at which elderly people can receive supportive social services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The Council maintains five senior centers in Tangipahoa Parish. Senior Center funds can be used at management's discretion to support any of the Council's programs which benefit the elderly. Accordingly, during the year, management transferred all the Senior Center funds to the Title III B Fund to subsidize that program's cost of providing supportive social services to elderly persons who used the senior centers.

Note 1 - Summary of Significant Accounting Policies - (continued)

d. Fund Accounting: (continued)

♦ Special Revenue Funds - (continued)

Supplemental Senior Center Fund

The Louisiana Legislature appropriated additional money for various councils on aging throughout the state to be used to supplement the primary state grant for senior centers. The TVCOA was one of the parish councils to receive a supplemental grant of \$4,158. The Governor's Office of Elderly Affairs provided these funds to the Council through CAAA. The money received by this fund during the year was transferred to the Title III B Fund to offset the cost of providing supportive services to participants receiving services at the senior centers.

Audit Fund

The Audit Fund is used primarily to account for funds provided by the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council via the Capital Area Agency on Aging - District II Inc. These funds are restricted to use as a supplement to pay for the cost of having an annual audit of the Council's financial statements. The cost allocated to this fund is equal to the GOEA supplement. Excess audit costs have been distributed to other funds and programs using the Council's indirect cost allocation formula.

Note 1 - Summary of Significant Accounting Policies - (continued)

d. Fund Accounting: (continued)

◆ **Special Revenue Funds - (continued)**

EFSP Fund

The EFSP Fund is used to account for the administration of the Emergency Food and Shelter National Board Program (EFSP) which purpose is to supplement food and shelter assistance to individuals who might currently be receiving assistance, as well as to assist those who are not receiving any. Funds are provided by the Federal Emergency Management Agency (FEMA) through the United Way of America which in turn "passes through" the funds to the Council. A local board working with Tangipahoa Parish's local United Way agency assists TVCOA in obtaining EFSP funds from United Way's national office. During the fiscal year, EFSP funds were used to supplement the home delivered meals program and to provide 8 utility bill payments for eligible persons.

FTA Fund

The FTA Fund is used to account for the acquisition of vehicles purchased in part with federal funds under the Elderly and Disabled Persons Transportation Capital Assistance Program sponsored by the Federal Transit Administration (FTA). The Louisiana Department of Transportation and Development (DOTD) coordinates grant compliance, the administration of the FTA funds, and the collection of matching funds from the Council.

Utility Assistance Fund

This fund is used to primarily account for the administration of the utility assistance programs which are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on the aging throughout the state to provide assistance to the elderly for the payment of utility bills. The Council receives its Helping Hands and Louisiana Gas donations through the Louisiana Association of Councils on Aging, Inc. (LACOA).

Note 1 - Summary of Significant Accounting Policies - (continued)

d. Fund Accounting: (continued)

♦ Special Revenue Funds - (continued)

Medicine Assistance

The purpose of the Medical Assistance Fund is to administer a grant from the Baxter Allegiance Foundation. The award was made to help the Council establish a medical assistance program wherein the Council could provide financial assistance to persons age 60 or older for the purchase of medicine and/or medical supplies. The Council's management is responsible to determine eligibility criteria. Each recipient of benefits under this program is limited to \$200 of financial assistance per year. The Council must use all grant funds for medicine assistance. None of the money can be used to pay for administrative expenses.

e. Account Groups:

An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The following two account groups are not "funds".

General Fixed Assets

The fixed assets used in governmental fund type operations of the Council are accounted for (capitalized) in the General Fixed Assets Account Group and are recorded as capital outlay expenditures in the government fund types when purchased or constructed.

General Long-Term Debt

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-term Debt Account Group. The General Long-term Debt Account Group shows only the measurement of financial position and is not involved with measurement of results of operations.

Note 1 - Summary of Significant Accounting Policies - (continued)

f. Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds, including the General and Special Revenue Funds, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets.

Governmental funds are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for the following: (1) principal and interest on long-term debt are recorded when due, and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

g. Transfers and Interfund Loans:

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are accounted for through the various due from and due to accounts on the balance sheet. Short-term interfund loans are classified as interfund receivables or payables.

h. Budget Policy:

The Council follows these procedures in establishing the budgetary data which has been presented in Exhibits C and D of these financial statements.

- ♦ The Capital Area Agency on Aging - District II Inc., (CAAA) notifies the Council each year as to the funding levels for each program's grant award.

Note 1 - Summary of Significant Accounting Policies - (continued)

h. Budget Policy: - (continued)

- ◆ Revenue projections are also made based on grants from GOEA and other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- ◆ Expenditure projections are developed using historical information and changes to the upcoming year that management is aware of at the time of budget preparation.
- ◆ Once the information regarding projected revenues and expenditures has been obtained, the Council's executive director and bookkeeper prepare a proposed budget based on the projections. The proposed budget is submitted to the Board of Directors for final approval.
- ◆ The Board of Directors reviews and adopts the budget for the next fiscal year at a regularly scheduled board meeting before May 31 of the current fiscal year.
- ◆ The adopted budget is forwarded to CAAA for compliance approval for the funds it will pass-through to the Council from GOEA.
- ◆ Budgetary appropriations lapse at the end of each fiscal year (June 30). However, if a grant or contract is not completed by June 30, management will re-appropriate funds in the next fiscal year to complete the grant or contract.
- ◆ The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.

Note 1 - Summary of Significant Accounting Policies - (continued)

h. Budget Policy: - (continued)

- ◆ Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. During the fiscal year, management amended the budget once. The budget amendment was approved by the Council's Board of Directors at a regularly scheduled meeting on April 19, 2001, using a procedure similar to the one used to approve the original budget. The budget amendment was effective May 1, 2001. The approved budget amendment was then sent to CAAA and approved by that agency.
- ◆ Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- ◆ The Council may transfer funds between line items as often as required but must obtain compliance approval from the CAAA and the Governor's Office of Elderly Affairs for funds received under grants and contracts from these agencies. As a part of their compliance, CAAA and GOEA require management to amend the budget in cases where actual expenditures for a particular line item exceed their budgeted amount by more than 10%.
- ◆ Expenditures cannot legally exceed appropriations on an individual fund level.
- ◆ The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some activities are not budgeted, particularly if they are deemed to be immaterial by management.

i. Cash:

Cash includes interest-bearing demand deposits and petty cash. Cash is reported at its carrying amount which equals its fair value.

Note 1 - Summary of Significant Accounting Policies - (continued)

j. Fixed Assets:

Assets which cost at least \$1,000 and which have an estimated useful life of greater than one year are capitalized as fixed assets. All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated. No depreciation has been provided on general fixed assets.

k. Comparative Data:

Comparative data for the prior year have been presented in the accompanying financial statements to provide an understanding of changes in the Council's financial position and operations. However, presentation of comparative data by fund type have not been presented in each of the statements because their inclusion would make the statements unduly complex and difficult to read.

Total columns on the combined statements - overview are captioned "memorandum only" to indicate that they are presented only to help with financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 1 - Summary of Significant Accounting Policies - (continued)

1. Compensated Absences:

For governmental fund types, the Council's liability for accumulated unpaid vacation has been recorded in the general long-term debt group of accounts. The liability has been determined using the number of vested vacation hours for each employee multiplied by each employee's current wage rate as of year end. An amount is added to this total for social security and medicare taxes. Accrued vacation benefits will be paid from future years' resources and will be recorded as fund expenditures in the various governmental funds in the year in which they are paid or become due on demand to terminated employees. The Council's sick leave policy does not provide for the vesting of sick leave where payment would have to be made to a terminated employee for any unused portion.

m. Related Party Transactions:

There were not any related party transactions during the fiscal year.

n. Reservation and Designations of Fund Balances:

The Council "reserves" portions of its fund balance that are not available for expenditure because resources have already been expended (but not consumed), or a legal restriction has been placed on certain assets which make them only available to meet future obligations.

Designated allocations of fund balances result when the Council's management intends to expend certain resources in a designated manner. Designations of fund balances can be changed at the discretion of the Council's Board of Directors. There were no designated fund balances at year end.

o. Management's Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Note 1 - Summary of Significant Accounting Policies - (continued)

p. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting is used by the General Fund to reserve portions of certain appropriations relating to purchase orders, contracts, and other commitments for the expenditure of resources. In accordance with generally accepted accounting principles, outstanding encumbrances at year end for which goods and services have been received are reclassified as expenditures and accounts payable. For budgetary purposes, appropriations lapse at year end and are either canceled or are re-appropriated in next year's budget. Encumbrances outstanding at year end, that are reported as reservations of fund balances, do not constitute expenditures or liabilities, but represent commitments that will be re-appropriated and honored next year by the Council. At year end, there were no outstanding, significant encumbrances requiring a reservation of the Council's fund balance, except for a purchase commitment of \$9,200 representing the Council's share of matching funds to acquire a vehicle under an FTA contract.

Note 2 - Revenue Recognition

Intergovernmental grant revenues, program service fees, and interest income are recorded in governmental funds as revenues in the accounting period when they become susceptible to accrual, that is, measurable and available (modified accrual basis). The timing and amounts of the receipts of public support and miscellaneous revenues are difficult to predict; therefore, they are not susceptible to accrual and are recorded as revenue in the period received.

Note 3 - Cash

The Council maintains a consolidated bank account to deposit most of the monies it collects and to pay its bills. The consolidated bank account is available for use by all funds. The purpose of this consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash resources to temporarily cover any negative cash balances in other funds.

Note 3 - Cash - (continued)

Cash is reported at its carrying amount which equals its fair value. At year end, the carrying amount of the Council's cash balances on the books was \$95,875, which includes \$250 of petty cash, whereas the bank balances totaled \$126,384. The difference in the book and bank balances relates primarily to deposits made and checks written which had not cleared the bank accounts by year end. At year end, all bank balances (\$126,384) were covered 100% by federal depository insurance, and accordingly, they have been classified as a "Category 1" credit risk in accordance with GASB Statement 3.

Note 4 - Government Grants and Contracts Receivable

Government grants and contracts receivable represent amounts owed to the Council under a grant award or contract with a provider of federal, state, or local funds; such amounts being measurable and available as of year end.

Government grants and contracts receivable, at year end, consist of the following:

<u>Program</u>	<u>Provider</u>	<u>Fund</u>	<u>Amount</u>
EFSP	United Way	Special Revenue	\$ 9,107
Title III C-1	CAAA	Special Revenue	5,264
Title III C-2	City of Amite	Special Revenue	2,233
Title III C-2	CAAA	Special Revenue	6,035
Title III B	CAAA	Special Revenue	<u>5,243</u>
Total			<u>\$27,882</u>

Note 5 - Accounts Receivable

Accounts receivable represent money owed to the Council for providing program services. At year end, accounts receivable consisted of the following:

<u>Program</u>	<u>Provider</u>	<u>Fund</u>	<u>Amount</u>
Medicaid Enrollment	Medicaid	General	\$1,204
Title III B	Transit		
	Connections	Special Revenue	4,023
Title III C-1	CAAA	Special Revenue	580
Title III C-2	CAAA	Special Revenue	<u>89</u>
Total			<u>\$5,896</u>

Note 6 - Prepaid Expenditures

The Council has elected not to expense amounts paid for future services until those services are consumed. The fund balances in the governmental fund types have been reserved for the prepaid expenditures recorded in these funds to reflect the amount of fund balance not currently available for expenditure.

At year end, prepaid expenditures consisted of amounts paid in advance for insurance premiums.

Note 7 - Changes in Fixed Assets

A summary of changes in general fixed assets is as follows:

<u>Asset Category</u>	<u>Balance June 30, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>Other</u>	<u>Balance June 30, 2001</u>
Vehicles	\$192,865	\$32,113	\$(15,670)	\$ 8	\$209,316
Furniture & equipment	24,136	-	-	(18,038)	6,098
Computer equipment	13,157	-	-	(6,196)	6,961
Nutrition equipment	7,297	-	-	(5,168)	2,129
Leasehold improvements	33,564	1,200	-	(1,300)	33,464
Exercise equipment	3,749	-	-	(3,749)	-
Totals	<u>\$274,768</u>	<u>\$ 33,313</u>	<u>\$(15,670)</u>	<u>\$(34,443)</u>	<u>\$257,968</u>

None of the above amounts includes any donated asset.

The "other" column includes negative amounts which represent the removal of assets from the Council's formal inventory records because of an accounting policy change issued by GOEA which requires the Council to remove any fixed asset which cost less than \$1,000. GOEA changed its accounting policy threshold for fixed asset capitalization as a result of the requirement to depreciate fixed assets prescribed by GASB Statement 34. GOEA's purpose for the change is to reduce the administrative burden of accounting for immaterial fixed assets that could occur when the councils on aging in Louisiana are required to adopt GASB Statement 34. There is not any current effect on the revenues, expenditures, or net income (loss) of the Council because fixed assets are recorded and accounted for in a separate account group which does not affect revenues, expenditures, or net income (loss) of the Council.

Note 7 - Changes in Fixed Assets - (continued)

The "other" column also includes an \$8 positive adjustment to correct a clerical error in accounting for vehicles.

Note 8 - In-Kind Contributions

The Council received \$105,559 in various in-kind contributions during the year which have been valued at their estimated fair market values and presented in this report as revenues. Related charges, equal to the in-kind revenues, have also been presented, thereby producing no effect on net income.

The primary in-kind contributions consisted of free rent and utilities relating to the use of facilities in Ponchatoula, Amite, Tickfaw, Hammond, Independence, and Kentwood. The Council also receives a discount on the fuel it purchases from its gasoline supplier.

A summary of the in-kind contributions and their respective values is as follows:

Facility rental	\$75,300
Utilities for facilities	16,505
Janitorial and maintenance services	9,220
Fuel discounts	2,374
Insurance	1,560
Telephone	<u>600</u>
Total in-kind contributions	<u>\$105,559</u>

Note 9 - Board of Directors' Compensation

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members can request reimbursement for out-of-pocket expenses in accordance with the Council's travel policy when traveling on behalf of the Council.

Note 10 - Income Tax Status

The Council, a non-profit corporation, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986, and as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax.

The Council does not file a Form 990 because it has been determined to be an "affiliate of a governmental unit" within the meaning of Section 4 of Revenue Procedure 95-48, 1995-2 C.B. 418.

Note 11 - Lease and Rental Commitments

On October 28, 1999 the Louisiana State Board of Elementary and Secondary Education (BESE) approved a 20 year lease between it and the Council for the Hammond senior center building. The Council has the option to renew this lease for four consecutive additional terms of five years each provided the Council has maintained the building and submitted its request to renew in writing to BESE at least sixty days before the end of the lease term. The Council is responsible for all interior and exterior repairs, utilities, and must maintain a minimum of \$1,000,000 of liability insurance coverage on the property. BESE is responsible for obtaining the property insurance on the facility, but the Council must pay the premium. There is no rent owed by the Council to BESE for the use of the building.

Note 12 - General Long-Term Debt

Long-term liabilities that will be financed from governmental funds are accounted for in the general long-term debt group of accounts. The following is a summary of changes in long-term debt.

	Balance	Net	Balance
	<u>7/01/00</u>	<u>Increase</u> <u>(Decrease)</u>	<u>6/30/01</u>
Accumulated unpaid vacation	<u>\$ 7,699</u>	<u>\$ (646)</u>	<u>\$ 7,053</u>
Total long-term debt	<u>\$ 7,699</u>	<u>\$ (646)</u>	<u>\$ 7,053</u>

Note 13 - Judgements, Claims, and Similar Contingencies

There is no litigation pending against the Council as of year end. Furthermore, the Council's management believes that any potential lawsuits would be adequately covered by insurance or resolved without any material impact upon the Council's financial statements.

Note 14 - Contingencies-Grant Programs

The Council participates in a number of state and federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Council has not complied with the rules and regulations governing the grants, refunds of any money received and the collectibility of any related receivable at year end may be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Council.

Note 15 - Economic Dependency

The Council receives the majority of its revenue from funds provided through grants administered by the Governor's Office of Elderly Affairs. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Council will receive in the next fiscal year.

Note 16 - Risk Management

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters. The Council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage from the prior year. No settlements were made during the current or prior three fiscal years that exceeded the Council's insurance coverage.

The Council's management has not purchased commercial insurance or made provision to cover or reduce the risk of loss, as a result of business interruption and certain acts of God, like floods or earthquakes.

Note 17 - Deferred Compensation Plan

The Council offers its employees a means to defer compensation through a tax-sheltered group annuity underwritten by AIM and administered by the Council. This plan has been established in accordance with Section 403(b) of the Internal Revenue Code. All of the Council's employees are eligible to participate in the plan, however, participation is not mandatory. Elective deferrals by the Council's employees are made through salary reduction agreements with the Council. The maximum an employee may contribute is \$10,500 per year or the employee's maximum exclusion allowance, whichever is less. The maximum exclusion allowance differs from one person to another or even from year to year and is dependent upon several factors. All amounts contributed to the plan are non-forfeitable thereby making them 100% vested by the employees. Earnings within the annuity contracts accumulate tax free. During the fiscal year, \$4,620 was contributed to the plan via employee salary deferrals. No matching amounts were contributed by the Council. The Plan does not meet the definition of a fiduciary plan, accordingly, no amounts have been reported by the Council in these financial statements.

Note 18 - Interfund Receivables and Payables

Because the Council operates its programs under unit-cost reimbursement type grants, it has to pay for costs using its General Fund money and then request reimbursement for the advanced costs under the grant programs. Such advances create short-term interfund loans. A summary of these interfund loans, at year end, is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$21,279	\$ -
Special Revenue Funds:		
Title III B	-	9,266
Title III C-1	-	5,845
Title III C-2	-	5,141
EFSP	-	1,027
	<u>-</u>	<u>21,279</u>
Total special revenue funds	<u>-</u>	<u>21,279</u>
Total all funds	<u>\$21,279</u>	<u>\$21,279</u>

Note 19 - Interfund Transfers

Operating transfers to and from are as follows for the fiscal year:

	<u>Transfer To</u>					
	<u>General</u>	<u>Special Revenue Funds</u>				
	<u>Fund</u>		<u>Title</u>	<u>Title</u>	<u>Title</u>	
	<u>Local</u>	<u>FTA</u>	<u>III B</u>	<u>IIIC-1</u>	<u>IIIC-2</u>	<u>Totals</u>
<u>Transfer From</u>						
General Fund:						
PCOA	\$ -	\$ -	\$ 25,202	\$ -	\$ -	\$ 25,202
Local	<u>-</u>	<u>6,415</u>	<u>122,230</u>	<u>19,646</u>	<u>702</u>	<u>148,993</u>
Total General Fund	<u>-</u>	<u>6,415</u>	<u>147,432</u>	<u>19,646</u>	<u>702</u>	<u>174,195</u>
Special Revenue Funds:						
EFSP	1,027	-	-	-	-	1,027
Supplemental Sr. Center	-	-	4,158	-	-	4,158
Title III F	2,223	-	-	-	-	2,223
Senior Center	<u>-</u>	<u>-</u>	<u>52,263</u>	<u>-</u>	<u>-</u>	<u>52,263</u>
Total Special Revenue Funds	<u>3,250</u>	<u>-</u>	<u>56,421</u>	<u>-</u>	<u>-</u>	<u>59,671</u>
Total Transfers	<u>\$ 3,250</u>	<u>\$ 6,415</u>	<u>\$203,853</u>	<u>\$19,646</u>	<u>\$ 702</u>	<u>\$233,866</u>

Note 20 - Purchase Commitment

The Council has committed to pay 20% of the purchase price of a van that the Council has agreed to acquire under a Section 5310 FTA grant administered by the Louisiana Department of Transportation and Development (DOTD). The Council has not remitted its share of matching funds as of year end. However, the Council issued an irrevocable letter of credit in favor of DOTD in the amount of \$9,200 on July 11, 2001, to assure DOTD that funds have been committed towards the purchase.

Note 21 - New Reporting Standard

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement 34 "Basic Financial Statements and Management's Discussion and Analysis For State and Local Governments." This Statement establishes new financial reporting requirements for state and local governments throughout the United States. When implemented, it will require new information and restructure much of the information that governments have presented in the past. Comparability with reports issued in all prior years will be affected. The Council is required to implement this standard no later than its fiscal year ending June 30, 2004. The Council has not yet determined the full impact that adoption of GASB Statement 34 will have on the financial statements.

SUPPLEMENTARY FINANCIAL INFORMATION

SCHEDULE OF PROGRAM REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND

The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

For the year ended June 30, 2001

	Programs of the General Fund					Total
	Local	PCOA	Senior Center Activities	Medicaid Programs	Adult Day Care	
REVENUES						
Intergovernmental:						
Tangipahoa Parish Council	\$ 45,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 45,000
City of Hammond	12,500	0	0	0	0	12,500
Governor's Office of Elderly Affairs	0	25,202	0	0	0	25,202
Public Support:						
Tangipahoa Area United Way - unrestricted	26,000	0	0	0	0	26,000
General public donations - unrestricted	2,360	0	1,256	0	0	3,616
Walking for Seniors fundraiser - unrestricted	12,507	0	0	0	0	12,507
Entergy Corporation - restricted	500	0	0	0	130	630
Program Service Fees:						
Medic Alert unit rentals	13,414	0	0	0	0	13,414
Medicaid services	0	0	0	4,522	0	4,522
Interest Income	1,422	0	0	0	0	1,422
Miscellaneous:						
Recycling income	0	0	1,848	0	0	1,848
In-kind Contributions	0	0	0	693	23	716
Total revenues	113,703	25,202	3,104	5,215	153	147,377
EXPENDITURES						
Current:						
Personnel	0	0	0	16,831	563	17,394
Fringe	46	0	0	1,612	54	1,712
Travel	162	0	0	372	3	537
Operating Services	319	0	0	1,111	38	1,468
Operating Supplies	423	0	0	298	10	731
Other Costs	16,588	0	3,113	433	15	20,149
Meals	25	0	0	0	0	25
Capital Outlay	1,237	0	0	0	0	1,237
In-kind	0	0	0	693	23	716
Total expenditures	18,800	0	3,113	21,350	706	43,969
Excess of revenues over(under) expenditures	94,903	25,202	(9)	(16,135)	(553)	103,408
OTHER FINANCING SOURCES (USES)						
Operating transfers in	3,250	0	0	0	0	3,250
Operating transfers out	(148,993)	(25,202)	0	0	0	(174,195)
Proceeds from sale of vehicles	19,559	0	0	0	0	19,559
Excess of revenues and other sources over(under) expenditures and other uses	(31,281)	0	(9)	(16,135)	(553)	(47,978)
FUND BALANCES(DEFICIT)						
Beginning of year	120,349	0	3,129	0	0	123,478
Transfers of fund balance to eliminate intrafund program deficits	(16,688)	0	0	16,135	553	0
End of year	\$ 72,380	\$ 0	\$ 3,120	\$ 0	\$ 0	\$ 75,500

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS

The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

For the year ended June 30, 2001

	Title III B	Title III C-1	Title III C-2	Title III F	Senior Center	Supple. Senior Center	Audit	EFSP	FTA	Utility Assistance	Medicine Assistance	Totals
REVENUES												
Intergovernmental:												
Capital Area Agency on Aging (CAAA)	\$ 119,245	\$ 53,700	\$ 51,416	\$ 3,743	\$ 52,263	\$ 4,158	\$ 2,796	\$ 0	\$ 0	\$ 0	\$ 0	\$ 287,321
United Way of America	0	0	0	0	0	0	0	34,789	0	0	0	34,789
La. Department of Transportation	0	0	0	0	0	0	0	0	25,661	0	0	25,661
Town of Kentwood	2,400	0	0	0	0	0	0	0	0	0	0	2,400
City of Amite	0	0	4,483	0	0	0	0	0	0	0	0	4,483
Public Support (Restricted):												
Baxter Allegiance Foundation	0	0	0	0	0	0	0	0	0	0	36,000	36,000
L P & L Helping Hands (via LACOA)	0	0	0	0	0	0	0	0	0	8,357	0	8,357
LA Gas Service	0	0	0	0	0	0	0	0	0	9,101	0	9,101
WST Electric	0	0	0	0	0	0	0	0	0	30	0	30
Client contributions	4,847	21,024	10,420	32	0	0	0	0	0	0	0	36,423
Program Service Fees:												
Medicaid transportation	3,730	0	0	0	0	0	0	0	0	0	0	3,730
Public Fares	38	0	0	0	0	0	0	0	0	0	0	38
Transit Connections	20,102	0	0	0	0	0	0	0	0	0	0	20,102
Interest Income	0	0	0	0	0	0	0	260	0	0	702	862
Miscellaneous:												
Guest meals	0	15	0	0	0	0	0	0	0	0	0	15
In-kind Contributions	14,258	11,532	2,149	52	76,852	0	0	0	0	0	0	104,843
Total revenues	164,720	86,271	68,468	3,827	129,115	4,158	2,796	35,059	25,661	17,488	36,702	574,265
EXPENDITURES												
Current:												
Personnel	247,229	76,871	47,595	1,126	0	0	0	0	0	0	0	372,821
Fringe	24,463	7,386	4,647	111	0	0	0	0	0	0	0	36,607
Travel	7,026	676	908	7	0	0	0	0	0	0	0	8,617
Operating Services	49,181	5,146	5,717	84	0	0	0	0	0	0	0	60,128
Operating Supplies	18,469	2,018	3,520	192	0	0	0	0	0	0	0	24,199
Other Costs	7,847	2,188	1,418	32	0	0	2,796	0	0	0	0	14,381
Meals	0	0	3,216	0	0	0	0	34,459	0	0	0	37,675
Capital Outlay	0	0	0	0	0	0	0	0	32,076	0	0	32,076
Utility Assistance	0	0	0	0	0	0	0	600	0	16,829	0	17,429
Medicine	0	0	0	0	0	0	0	0	0	0	5,649	5,649
In-kind	14,258	11,532	2,149	52	76,852	0	0	0	0	0	0	104,843
Total expenditures	368,573	105,817	69,170	1,604	76,852	0	2,796	35,059	32,076	16,829	5,649	714,525
Excess of revenues over (under) expenditures	(203,853)	(19,646)	(702)	2,223	52,263	4,158	0	0	(6,415)	659	31,053	(140,260)
OTHER FINANCING SOURCES (USES)												
Operating transfers in	203,853	19,646	702	0	0	0	0	0	6,415	0	0	230,616
Operating transfers out	0	0	0	(2,223)	(52,263)	(4,158)	0	(1,027)	0	0	0	(59,671)
Excess of revenues and other sources over (under) expenditures and other uses	0	0	0	0	0	0	0	(1,027)	0	659	31,053	30,685
FUND BALANCE (DEFICIT)												
Beginning of year	0	0	0	0	0	0	0	1,027	0	1,053	0	2,080
End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,712	\$ 31,053	\$ 32,765

**SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VERSUS ACTUAL
GRANTS PROVIDED BY THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS
AND THE CAPITAL AREA AGENCY ON AGING**

**The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana**

For the year ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>PCOA (See Note 1)</u>			
Transfers to other funds:			
Title III B	\$ 25,202	\$ 25,202	\$ 0
Totals	\$ 25,202	\$ 25,202	\$ 0
 <u>TITLE III B</u>			
Personnel	\$ 229,959	\$ 247,229	\$ (17,270)
Fringe	22,217	24,463	(2,246) *
Travel	9,398	7,026	2,372
Operating Services	42,154	49,181	(7,027) *
Operating Supplies	16,292	18,469	(2,177) *
Other Costs	7,299	7,947	(648)
Totals	\$ 327,319	\$ 354,315	\$ (26,996)
 <u>TITLE III C-1</u>			
Personnel	\$ 88,450	\$ 76,971	\$ 11,479
Fringe	7,072	7,386	(314)
Travel	1,405	676	729
Operating Services	5,632	5,146	486
Operating Supplies	2,755	2,018	737
Other Costs	2,363	2,188	175
Totals	\$ 107,677	\$ 94,385	\$ 13,292
 <u>TITLE III C-2</u>			
Personnel	\$ 43,285	\$ 47,595	\$ (4,310)
Fringe	4,526	4,647	(121)
Travel	1,351	908	443
Operating Services	7,559	5,717	1,842
Operating Supplies	3,587	3,520	67
Other Costs	1,295	1,418	(123)
Meals	0	3,216	(3,216) **
Totals	\$ 61,603	\$ 67,021	\$ (5,418)

The accompanying footnotes on the next page are an integral part of Schedule 3
(Schedule 3 is continued on the next page)

**SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VERSUS ACTUAL
GRANTS PROVIDED BY THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS
AND THE CAPITAL AREA AGENCY ON AGING**

**The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana**

For the year ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>TITLE III F</u>			
Personnel	\$ 752	\$ 1,126	\$ (374) **
Fringe	60	111	(51) **
Travel	100	7	93
Operating Services	0	84	(84) **
Operating Supplies	0	192	(192) **
Other Costs	0	32	(32) **
Full Service	5,248	0	5,248
Transfers to the General Fund (See note 2)	0	2,223	(2,223) **
Totals	\$ 6,160	\$ 3,775	\$ 2,385
 <u>SENIOR CENTER</u>			
Transfers to Title III B	\$ 52,263	\$ 52,263	\$ 0
Totals	\$ 52,263	\$ 52,263	\$ 0
 <u>SUPPLEMENTAL SENIOR CENTER</u>			
Transfers to Title III B	\$ 4,158	\$ 4,158	\$ 0
Totals	\$ 4,158	\$ 4,158	\$ 0
 <u>AUDIT</u>			
Other Costs	\$ 2,796	\$ 2,796	\$ 0
Totals	\$ 2,796	\$ 2,796	\$ 0

The accompanying footnotes below are an integral part of Schedule 3

Footnotes:

1. The PCOA funds were the only funds directly provided by GOEA. The funds for the other programs were provided by GOEA indirectly through the Capital Area Agency on Aging.
 2. The cost of providing contracted units was less than expected. Accordingly, revenues in the Title III F program exceeded actual expenditures and the excess funds were transferred to the General Fund.
- * The unfavorable variance for this line item is greater than 10% of the budgeted amount. Transfers from the General Fund were equal to or greater than the amount of the budget violation.
- ** The unfavorable variance for this line item is greater than 10% of the budgeted amount.

**COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS
AND CHANGES IN GENERAL FIXED ASSETS**

**The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana**

For the year ended June 30, 2001

	Balance June 30, 2000	Additions	Deletions	Adjustments	Balance June 30, 2001
General fixed assets:					
Vehicles	\$ 192,865	\$ 32,113	(15,670)	\$ 8	\$ 209,316
Office furniture and equipment	24,136	0	0	(18,038)	6,098
Computer equipment	13,157	0	0	(6,196)	6,961
Nutrition equipment	7,297	0	0	(5,168)	2,129
Leasehold improvements	33,564	1,200	0	(1,300)	33,464
Exercise equipment	3,749	0	0	(3,749)	0
Total general fixed assets	\$ 274,768	\$ 33,313	\$ (15,670)	\$ (34,443)	\$ 257,968
Investment in general fixed assets:					
Property acquired with funds from -					
Local funds and donations	\$ 94,381	\$ 7,652	(1,200)	\$ (11,132)	\$ 89,701
FTA	103,124	25,661	0	(1,521)	127,264
Title III B	10,594	0	0	(5,342)	5,252
Title III C-1	32,757	0	0	(5,217)	27,540
Title III C-2	19,210	0	(14,470)	(3,683)	1,057
Title III F	5,624	0	0	(3,710)	1,914
Senior Center	6,500	0	0	(1,260)	5,240
Energy Outreach	987	0	0	(987)	0
Title XX	91	0	0	(91)	0
Medicaid	1,500	0	0	(1,500)	0
Total investments in general fixed assets	\$ 274,768	\$ 33,313	\$ (15,670)	\$ (34,443)	\$ 257,968

The accompanying footnotes below are an integral part of this schedule.

Note 1: The adjustments column represents the removal of \$34,451 of assets from the formal inventory records due to a policy change issued by GOEA which allows the Council to remove any asset which cost less than \$1,000.

Note 2: The adjustments column also includes an \$8 addition to correct a clerical error in accounting for the cost of vehicles.

**SCHEDULE OF PRIORITY SERVICES -
TITLE III, PART B - GRANT FOR SUPPORTIVE SERVICES**

The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

For the Year Ended June 30, 2001

Capital Area Agency of Aging - District II, Inc. (CAAA) is the regional area agency for The Tangipahoa Parish Voluntary Council on Aging. Because of this relationship, CAAA is primarily responsible to the Governor's Office of Elderly Affairs with respect to meeting and reporting the earmarking percentages and requirements prescribed by Title III, Part B. Accordingly, this schedule is not applicable to The Tangipahoa Parish Voluntary Council on Aging.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

For the Year Ended June 30, 2001

I have audited the financial statements of The Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana as of and for the year ended June 30, 2001, and have issued my report thereon dated August 22, 2001. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2001 resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

- a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control:

Material Weaknesses

___ Yes X No

Reportable Conditions

___ Yes X No

Compliance:

Compliance Material to Financial Statements ___ Yes X No

- b. Federal Awards

Federal award expenditures were less than \$300,000. Accordingly, this section is not applicable.

- c. Identification of Major Programs

This section is not applicable.

- d. Management Letter

The auditor issued a management letter relating to this year's audit

X Yes ___ No

Section II - Financial Statement Findings and Questioned Costs

There were no significant findings or questioned costs to report.

Section III - Federal Award Findings and Questioned Costs

This section is not applicable.

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

For the year ended June 30, 2001

**Section I - INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES
MATERIAL TO THE FINANCIAL STATEMENTS**

There were no findings reported for this section in last year's audit report.

**Section II - INTERNAL CONTROL AND COMPLIANCE DEFICIENCIES
MATERIAL TO FEDERAL AWARDS**

There were no findings reported for this section in last year's audit report.

Section III - MANAGEMENT LETTER

Internal Control Weaknesses

IC-1 FY2000 Books Were Out of Balance

Status: Resolved - The Council switched software programs which corrected the auditor's finding.

IC-2 Negative Trend Noted in Ponchatoula C-1 Contributions

Status: Unresolved - Although management monitored contributions at this location more closely, it was unable to specifically identify the reason for the negative trend. Management and the auditor discussed new approaches to pursue to resolve this matter. This matter has been reported by the auditor as item IC-1 in his 2001 letter to management.

IC-3 Pay Rates and Subsequent Changes Are Not Being Documented in Personnel Files

Status: Resolved - Pay rates and subsequent changes are now documented in the employees' personnel files.

IC-4 Management Needs to Identify Conflicts of Interest

Status: Resolved - Written certifications were obtained from board members and employees.

Instances of Noncompliance

- NC-1 Deposits At Central Progressive Bank Were Uninsured
- Status: Resolved - The Council's bank began identifying the Council's deposits as public funds and put up sufficient collateral for instances where the Council's deposits exceed \$100,000.
- NC-2 State Law Does Not Allow for Christmas Parties To Be Paid For With Public Funds
- Status: Resolved - Public funds were not used for this year's Christmas party.
- NC-3 I-9 Forms Noted As Not Being Properly Completed
- Status: Resolved - I-9 forms are now being properly completed and the auditor did not note any further instances this year.
- NC-4 Do Not Approve "Retroactive" Raises
- Status: Resolved - No retroactive raises were given. The Board of Directors was notified by the Council's Director that this is not allowed.
- NC-5 Actual Expenditures Exceeded Budgeted Expenditures In Certain Programs
- Status: Unresolved - Although management attempted to correct this area of noncompliance, the auditor noted a few instances where actual costs exceeded budgeted amounts by more than 10% of the budgeted amount. Some of the budget overruns were "covered" with transfers of local or unrestricted funds to the programs where the overruns occurred.

NEIL G. FERRARI

CERTIFIED PUBLIC ACCOUNTANT

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BATON ROUGE, LA 70816

PHONE (225) 272-1177

MEMBER OF THE
SOCIETY OF LOUISIANA CPAS

MEMBER OF THE
AMERICAN INSTITUTE OF CPAS

MANAGEMENT LETTER

August 22, 2001

To the Board of Directors
The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

I have audited the general purpose financial statements of The Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana, as of and for the year ended June 30, 2001, and have issued my report thereon dated August 22, 2001. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As part of my audit, I have issued my report on the financial statements, dated August 22, 2001, and my report on internal control and compliance with laws, regulations, contracts, and grants, dated August 22, 2001.

In planning and performing my audit of the general purpose financial statements of The Tangipahoa Parish Voluntary Council on Aging for the year ended June 30, 2001, I considered its internal control in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control. However, I noted certain matters involving the Council's internal control and its operation that I consider important enough to report to you.

My consideration of the Council's internal control would not necessarily disclose all matters in internal control that might be a reportable condition to management and, accordingly, would not necessarily disclose conditions that are also material weaknesses. In addition, my tests of compliance would not necessarily disclose all instances of noncompliance that may have occurred during the year.

The following are matters that I noted during the audit which are deserving of your attention. I will report on the status of management's corrective action of these matters in next year's audit report.

Internal Control Weakness

IC-1 Negative Trend Noted in Ponchatoula Client Contributions

I have been maintaining a trend analysis of the client contributions by site and by program for the Council for many years. I have noticed that the C-1 contributions at Ponchatoula have decreased significantly over the last five years. Here is a chart of contributions by year:

2001	\$2,984
2000	3,455
1999	4,459
1998	4,803
1997	5,057

The Council's Director is aware of the negative trend and has taken some action to investigate the negative trend. As of yet she has been unable to solve the reason for the negative trend. Also, note that other types of participant contributions are negative at Ponchatoula.

<u>Type of Contribution</u>	<u>2001</u>	<u>2000</u>
Transportation services	\$ 93	\$786
Homemaker	81	90

The amount of the decline in homemaker contributions may seem immaterial but the lowest annual total for any other site's homemaker contributions for 2001 was \$229 (Independence). When all trends and comparisons are considered, Ponchatoula does not compare well with the other locations.

As a result, I recommend that management continue to follow up to specifically determine why contributions at Ponchatoula continue to decline as well as why they compare unfavorably with the other locations.

Instance of Noncompliance

NC-1 Actual Expenditures Exceeded Budgeted Expenditures In Certain Programs

I noted that there were instances where actual expenditures for line items exceeded their related budgeted expenditures by more than 10%. Even though these instances occurred, the Council compensated for some of the budget overruns by supplementing the programs with unrestricted funds. The instances had no material effect on the financial statements. I recommend management be alert for overruns occurring in similar areas next year and amend the budget as needed to prevent recurrence.

This report is intended solely for the use of the Council's Board of Directors, management, and the Legislative Auditor of the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Neil Ferrari, CPA

Neil G. Ferrari, CPA

MANAGEMENT'S CORRECTIVE ACTION PLAN

**The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana**

For the year ended June 30, 2001

To the following oversight agencies for audit:

**State: Legislative Auditor of the State of Louisiana; and
Governor's Office of Elderly Affairs;**

Local: Capital Area Agency on Aging - District II, Inc.

**The Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana,
respectfully submits the following corrective action plan for the
year ended June 30, 2001.**

**Name and address of independent public accounting firm: Neil G.
Ferrari, CPA, 14481 Old Hammond Highway, Suite 4, Baton Rouge,
Louisiana, 70816.**

Audit period: For the year ended June 30, 2001.

**The findings from the June 30, 2001 schedule of findings and
questioned costs are discussed below. The findings are numbered
consistently with the numbers assigned in the schedule.**

SECTION I. FINANCIAL STATEMENT FINDINGS

There were no findings reported in this section.

SECTION II. MAJOR FEDERAL AWARD PROGRAM FINDINGS AND QUESTIONED COSTS

There were no findings reported in this section.

SECTION III. MANAGEMENT LETTER

Internal Control Weaknesses

IC-1 Negative Trend Noted in Ponchatoula Client Contributions

Management's Response:

**Management is aware of the decline in C-1 client
contributions at the Ponchatoula meal site.
Management is also aware that Ponchatoula's other
types of client contributions compare unfavorably
to similar contributions at other locations in the
parish.**

MANAGEMENT'S CORRECTIVE ACTION PLAN - (continued)

SECTION III. MANAGEMENT LETTER - (continued)

Internal Control Weaknesses - (continued)

IC-1 Negative Trend Noted in Ponchatoula Client Contributions - (continued)

The specific reason(s) for the decline in client contributions has not been determined. However, management believes that a lack of transportation service in the Ponchatoula area has produced the contribution decline. Transportation services have been reduced because the Council's van driver for the Ponchatoula area quit July 1, 2000 and has not been replaced. This situation has limited the Council's ability to provide transportation services directly to people who could have participated in the C-1 program. As a result, the decline in participation has produced a decline in contributions.

Management will continue to monitor the trends relative to client contributions from Ponchatoula clients and management will maintain an awareness that factors other than the lack of transportation may be contributing to the decline in contributions.

Instances of Noncompliance

NC-1 Actual Expenditures Exceeded Budgeted Expenditures In Certain Programs

Management's
Response:

The unfavorable budget variances in the Title III B and Title III C-2 programs were "covered" with transfers of unrestricted funds from the Council's General Fund.

Unfavorable variances are noted in the Title III F program when individual expenditure categories are analyzed. However, the Council's actual total expenditures were much less than the budgeted total expenditures. Because management was able to acquire volunteer services for the Title III F program to serve the Council's clients, the free services more than offset the unfavorable budget variances.

MANAGEMENT'S CORRECTIVE ACTION PLAN - (continued)

For fiscal year 2002, management will be more cognizant of the relationship between actual and budget expenditures by line item categories for its programs. When necessary, management will amend the Council's budget to comply with the requirements of its grants from GOEA and CAAA.

If there are any questions regarding this corrective action plan, please call Debi Fleming, the Council's Director, at (985) 748-7486.